

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Norfolk Division

- - - - -		
UNITED STATES OF AMERICA	)	
	)	
v.	)	CRIMINAL ACTION NO.
	)	2:22cr108(3)
SI LIU,	)	
	)	
Defendant.	)	
	)	
- - - - -		

TRANSCRIPT OF PROCEEDINGS  
**(Arraignment and Detention Hearing)**

Norfolk, Virginia  
August 22, 2022

BEFORE: THE HONORABLE LAWRENCE R. LEONARD  
United States Magistrate Judge

APPEARANCES:

UNITED STATES ATTORNEY'S OFFICE  
By: Megan M. Montoya  
Assistant United States Attorney  
Counsel for the United States

ZOBY & BROCCOLETTI  
By: James O. Broccoletti  
Counsel for the Defendant

Cynthia Liu, Interpreter (Via TIPS)

1 (Proceedings commenced at 2:53 p.m.)

2 (The interpreter, Cynthia Liu, was duly sworn.)

3 THE CLERK: United States of America vs. Si Liu,  
4 Case 2:22cr108.

5 Are counsel ready to proceed?

6 MS. MONTOYA: The government is ready to proceed.  
7 Good afternoon again, Your Honor.

8 THE COURT: Good afternoon.

9 MR. BROCCOLETTI: Good afternoon. Present and  
10 ready, Your Honor.

11 THE COURT: Good afternoon, Mr. Broccoletti.  
12 Good afternoon, Ms. Liu.

13 THE DEFENDANT: Good afternoon.

14 THE COURT: This matter is set for a detention  
15 hearing and an arraignment, and it's the Court's  
16 understanding that Ms. Liu waived her right to an immediate  
17 detention hearing, so I presume this comes at your request,  
18 Mr. Broccoletti?

19 MR. BROCCOLETTI: It does, Your Honor.

20 THE COURT: All right. Why don't you both have a  
21 seat.

22 Ms. Montoya, do you have any witnesses to call, or  
23 will you proceed solely by proffer?

24 MS. MONTOYA: Solely by proffer, Your Honor, thank  
25 you.

1 THE COURT: All right.

2 MS. MONTTOYA: Your Honor, the investigation into Si  
3 Liu and her co-conspirators, Mr. Gao and Mr. Wang, began in  
4 January 2022, and to date the investigation has revealed that  
5 Si Liu worked in the Eastern District of Virginia as an  
6 operator or a manager of five illicit massage parlors where  
7 employees engaged in commercial sex in both Virginia Beach  
8 and in Williamsburg.

9 Now, her role within the conspiracy was to advertise  
10 commercial sex appointments online, schedule commercial sex  
11 appointments with johns, or customers, collect prostitution  
12 proceeds, and encourage women to perform commercial sex acts  
13 by providing condoms and financial incentives.

14 MR. BROCCOLETTI: Judge, could we just ask to slow  
15 down a little bit for the interpreter?

16 MS. MONTTOYA: Oh, sorry.

17 THE COURT: That's a good point, Mr. Broccoletti.  
18 Slow down, Ms. Montoya.

19 MS. MONTTOYA: Yes, Your Honor.

20 And so Si Liu is part of a much larger enterprise  
21 that is based in Flushing, New York, that also has ties to  
22 China, and some of her co-conspirators have been identified  
23 to date, some have not.

24 And so two events really got this conspiracy on the  
25 radar of law enforcement. So, first, you had the robbery and

1 the sexual assault of P.T. And so in January 2022, Virginia  
2 Beach Vice and Narcotics detectives interviewed P.T. about  
3 two armed robbery incidences she had reported that had  
4 occurred at hotels in Virginia Beach. P.T. admitted that she  
5 had been engaged in commercial sex at the hotels and that she  
6 was working for a different organization than Si Liu's group.

7 So on October 8, 2021, she reported that she was  
8 robbed by two Asian males who she later identified by photo  
9 as Gao and Wang. During that October robbery, she reported  
10 that she was strangled to the point of losing consciousness  
11 and that she was also pistol-whipped on her head.

12 She did go to the hospital that date, and she had  
13 multiple lacerations to her head, and she described pain to  
14 her knees and to her legs. She also stated that she had  
15 previously been robbed by the same two men back in June of  
16 2021.

17 Putting this in context, nationwide there has been  
18 an increased prevalence in violence toward Asian females that  
19 are engaged in commercial sex nationwide, so we're seeing  
20 cases of women being zip-tied and robbed, and so it appeared  
21 to investigators, okay, this violence has now made its way  
22 into the Eastern District of Virginia.

23 So law enforcement in January 2022 also received a  
24 Crime Solvers tip. So it's an anonymous tip for a massage  
25 parlor that was located on Shell Road in Virginia Beach. So

1 an officer went out -- or a detective went out and conducted  
2 physical surveillance at Shell Road, and what he saw was  
3 windows boarded up, which is very consistent with a  
4 commercial sex enterprise because people, the  
5 co-conspirators, don't want people seeing what's actually  
6 going on at the facility.

7 And while conducting physical surveillance, the  
8 detective noticed Mr. Gao sitting in his black Lexus. So he  
9 ran Mr. Gao's license plates, and that led to his home  
10 address. The detective conducted additional database  
11 searches which showed that Si Liu is married to Yang Gao, and  
12 then from there, they began the online investigation.

13 One of the most common websites associated with  
14 commercial sex in our area is SkipTheGames.com, and  
15 investigators located advertisements for SkipTheGames for a  
16 phone number, and that phone number is 757-712-9817. So  
17 those ads -- you had to call that phone number or text that  
18 phone number to set up an appointment for commercial sex.

19 So on January 13, 2022, an undercover detective  
20 scheduled an appointment for commercial sex and went to the  
21 Shell Road spa location where a woman offered commercial sex  
22 to the undercover investigator.

23 The investigative team also learned that Si Liu had  
24 leased out the Shell Road spa location in the name of another  
25 person, so they interviewed the owner and the landlord of the

1 Shell Road spa who stated that Si Liu had provided an  
2 identification and signed leasing agreements which were  
3 notarized in a different person's name. They were shown a  
4 picture of her and confirmed that that's who they had been  
5 interacting with and said she had been paying by check each  
6 month and that they had spoken to her and her husband  
7 multiple times over the phone. They also identified a photo  
8 of Yang Gao as her husband.

9           During physical surveillance, the investigative team  
10 also observed Si Liu texting on a phone when they were  
11 setting up a commercial appointment for that 9817 phone  
12 number. As they're texting the 9817 phone number, they  
13 actually see Si Liu pick up a phone and text back, and then  
14 they get a text back from that 9817 phone number. So she  
15 appeared to be operating and controlling that phone.

16           They also observed her in physical surveillance pay  
17 the phone bill at a cell phone store for that 9817 phone  
18 number. They further observed her multiple times throughout  
19 the surveillance going to the massage parlors and  
20 specifically picking up a female from a bus stop and taking  
21 her to the Shell Road spa.

22           Through physical surveillance, law enforcement  
23 identified Ye Wang as another participant who was assisting  
24 Yang Gao, and so they went back online and went back to  
25 SkipTheGames.com and found more ads for a different spa, the

1 Euclid Road spa, and they believed it to be tied to the same  
2 organization because they had very similar, very sexually  
3 explicit advertisements. And so, again, law enforcement  
4 conducted an undercover operation at the Euclid Road spa, and  
5 again, a female offered to engage in a sex act with the  
6 undercover detective.

7 Law enforcement then got a ping for the 9817 phone  
8 number, which pinged near Gao and Si Liu's house, and they  
9 further observed Gao and Wang travel to Williamsburg and  
10 actually meet with someone to start leasing another spa, this  
11 time in Williamsburg, the Jamestown Road spa, and at that  
12 point, the spa had not even opened, and it was completely  
13 empty, and they appeared to be doing a walkthrough, so they  
14 conducted additional undercover operations.

15 And then they also investigated the IP address for  
16 the prostitution and the massage parlor ads, and so they  
17 subpoenaed records from both Verizon and Cox Communication.  
18 So there were two IP addresses tied to the ads: One went  
19 back to Si Liu's residence, and one went back to Mr. Wang's  
20 residence.

21 So based on everything they had learned, on May 4th,  
22 2022, law enforcement executed seven search warrants, so for  
23 three residences and for four illicit spa locations.

24 At Si Liu's residence on Brockwell Avenue in  
25 Norfolk, she was arrested without incident. She was found

1 within the residence. They found financial documents,  
2 leasing agreements from multiple of the spa locations, about  
3 \$57,000 in U.S. currency, some of which was wrapped up and  
4 appeared to be broken out in denominations for different  
5 employees with names and monikers of the employees working at  
6 the spa locations, and multiple cell phones, including they  
7 found that cell phone ending in 9817. And they seized three  
8 vehicles from the residence, including a 2019 Toyota Sienna,  
9 a 2013 Lexus RX, and a 2018 Subaru WRX.

10 At Mr. Wang's residence in Virginia Beach, the team  
11 located banking records, about \$32,000 in U.S. currency --  
12 again, some of it was wrapped and broken down and appeared to  
13 have names of different workers on it -- a money counter, a  
14 large shipping box filled with condoms with Mr. Gao's name  
15 and address affixed to the shipping label, as well as  
16 multiple cell phones, including one phone that went back to  
17 the Euclid spa location. And law enforcement seized a 2019  
18 Infinity QX6.

19 And so the third residential location that was  
20 searched was Mr. Gao's. It appeared to be a new address in  
21 Virginia Beach, and nothing of significance was located  
22 there.

23 So searches were also conducted at massage parlors,  
24 and agents recovered condoms, multiple cellular phones, and  
25 then interviewed nine women total. One of the women reported



1 that the appointments and various services were all accounted  
2 for -- everything that they had done was all accounted for on  
3 a ledger on WeChat, which is a Chinese instant messaging  
4 application.

5 It's the world's largest standalone mobile app with  
6 over 1 billion monthly users. So you can text, you can do  
7 voice-messaging and video conferencing, as well as  
8 photographs and location sharing from that, and that appears  
9 to be how the vast majority of the communications occurred in  
10 this case.

11 And the woman described a profit breakdown was  
12 60 percent of profits going to the bosses and 40 percent  
13 going to the women who actually engaged in the commercial  
14 sex.

15 And so the defendants were all interviewed, and they  
16 were advised of their *Miranda* rights; and, significantly, Si  
17 Liu's husband implicates her in all of this. He admits that  
18 he performed various duties at the parlor, including  
19 collecting money from the women and giving female employees  
20 rides in his vehicle.

21 He further stated that Si Liu was responsible for  
22 setting appointments and managing the posting of appointments  
23 for various spa locations on SkipTheGames.com. And so he  
24 acknowledged that this was all advertised through  
25 SkipTheGames.com. He stated she would perform this duty from

1 home, which is consistent with what the IP address  
2 investigation showed, and stated she was paid a commission.

3 Mr. Wang also stated that he performed various  
4 duties at the massage locations, including bringing in  
5 supplies. And Si Liu, relatively soon into questioning,  
6 asked for an attorney, and so she did not make any  
7 significant statement.

8 And then, finally, is the financial investigation to  
9 date. And so Si Liu and Gao have a joint bank account, joint  
10 deposit account and a savings account at Navy Federal Credit  
11 Union, and then Si Liu also has been individual deposit at  
12 Navy Federal Credit Union and a savings account there, and  
13 Mr. Gao has a Bank of America account.

14 And so what the investigation on the financial side  
15 has showed is that these bank accounts that I've just  
16 mentioned are all funnel accounts for the conspiracy. So a  
17 funnel account is an account that the sole purpose is to push  
18 money through the account, and it does not have any other  
19 operating purpose, such as paying bills, paying for gas,  
20 buying groceries, nothing like that.

21 The investigation further revealed that the  
22 defendants routinely deposited proceeds of specified unlawful  
23 activities into the accounts and cash deposits, and that the  
24 defendant sent a portion of the proceeds up to individuals in  
25 Flushing, New York, who are part of the larger enterprise,

1 and then with the proceeds that they kept, those were  
2 utilized to purchase expensive jewelry, including Si Liu  
3 purchased an Omega watch, diamonds, a gold bar, cars, and  
4 real estate, residential properties.

5 And so the funnel accounts are fronted by seemingly  
6 random individuals as well as close relatives. I do have one  
7 exhibit for the Court, Government's Exhibit 1, because it  
8 appears that Ms. Liu's proposed third-party custodian, her  
9 father, is actually engaging in behavior consistent with  
10 money laundering.

11 And so from this chart, this is a chart of bank  
12 accounts by both Si Liu's parents, and so there are two  
13 different accounts at issue. So column 1 has the dates of  
14 the transactions. Column 2 names the financial institutions.  
15 And so the investigative team has obtained records from the  
16 Bank of America account of her parents, but not yet from the  
17 JPMorgan Chase account.

18 So we don't have those records to see the full  
19 picture yet. That account was flagged after seeing deposits  
20 from that account going into Si Liu and Lang Gao's bank  
21 accounts.

22 So what we know from this, starting with the first  
23 three transactions -- from January 19th, 2021; January 20th,  
24 2021; and January 21st, 2021 -- what we see there is her  
25 father went in three days in a row, and he deposited \$7,000,

1 \$7,000, and then \$6,000 in cash, and he utilized the  
2 Brockwell address -- that's her address -- for that account.  
3 And so he does these three deposits.

4 And what's significant about those numbers is that  
5 they are all under \$10,000. When a person makes a deposit or  
6 a withdrawal in excess of \$10,000 in cash, that triggers  
7 additional banking reporting requirements. That's called a  
8 Currency Transaction Report, or a CTR, and so they would have  
9 had to fill out additional paperwork.

10 And so this appears that they are structuring these  
11 cash deposits, three in a row, three days in a row, and then  
12 on the third day, on the 21st, \$20,000 -- just over \$20,000  
13 is taken from that account and then sent to the account of Si  
14 Liu and Mr. Gao.

15 So then the second set of transactions is her  
16 mother. And so first on the 24th of February, you have her  
17 mother depositing \$10,000 cash. And that same day, actually  
18 all right in the same transaction, also on February 24th, you  
19 have the mother immediately getting a cashier's check. Where  
20 it says "check sale" under the transaction, "check sale"  
21 means cashier's check.

22 And so she immediately gets a cashier's check, which  
23 is then put into a JPMorgan Chase account, which is then put  
24 into the Navy Federal joint account of Si Liu and Yang Gao,  
25 and so you see that money immediately bouncing through, and

1 that is behavior consistent with money laundering because of  
2 the way it is rapidly being funneled through.

3 So then the third set of transactions, in March and  
4 July, three by her father, they are all three withdrawals of  
5 personal checks in the amount of \$5,000, again not triggering  
6 that reporting requirement, and all \$5,000 withdrawn by  
7 personal check to Si Liu and Yang Gao.

8 And so it's possible -- in order to prove money  
9 laundering with her parents, we'd have to prove that they  
10 knew that the money, the cash that they were handling and  
11 depositing, was the proceeds of specified unlawful activity,  
12 but I think viewing this evidence -- and this is just a  
13 preliminary review of their bank accounts -- viewed in the  
14 light most favorable to her parents, they are unwitting --  
15 they've been unwittingly duped by her and to be involved in  
16 her activities.

17 But it does -- it's exactly consistent with  
18 everything we have seen financially to date of money being  
19 funneled up very quickly and then money also coming down from  
20 New York, including -- from New York and then also there was  
21 \$100,000 that came to Si Liu from the Bank of China. And so  
22 that would really be for my argument portion, but that is, in  
23 part, why the government is opposed to her father serving as  
24 a third-party custodian.

25 THE COURT: Ms. Montoya, do you have -- this

1 Exhibit 1 that you've provided to the Court all shows money  
2 going from the Bank of America and the JPMorgan Chase  
3 accounts to defendants Liu and/or Gao. Do you have any  
4 showing money going the other way?

5 MS. MONTTOYA: Money going to the parents  
6 specifically? If I could confer with the agent, Your Honor,  
7 one moment.

8 THE COURT: All right.

9 MS. MONTTOYA: We do not, Your Honor, no.

10 THE COURT: All right. Thank you.

11 I guess you're done, Ms. Montoya, I assume? You're  
12 sitting down.

13 MS. MONTTOYA: What was that?

14 THE COURT: You've completed your proffer?

15 MS. MONTTOYA: Yes, sir. I apologize. That was the  
16 extent of my proffer, yes.

17 THE COURT: All right. Mr. Broccoletti?

18 MR. BROCCOLETTI: Your Honor, obviously we're at a  
19 significant disadvantage in a couple of reasons: Number one,  
20 we have no discovery, so I can't comment on the strength or  
21 the weakness of the evidence; number two, with respect to  
22 Government's Exhibit 1, it was given to me about 2:20. Her  
23 mother and father are present. They speak no English. I  
24 have no interpreter, so I am not in a position at all to ask  
25 them any questions with respect to this, so it puts us in a

1 disadvantage to try and comment on that.

2           So I would -- I think I follow the Court's lead,  
3 though, and the question that the Court asked is that we have  
4 no context to Government's Exhibit 1. We show amounts being  
5 deposited by the father back in 2021 in three separate  
6 occasions. We have no sense at all as to where those funds  
7 came from. We have no sense at all as to what the balance of  
8 the account may have been prior to the time of those  
9 deposits.

10           This exhibit seems to infer that the check sale of  
11 \$20,000 was directly related and only related to the three  
12 deposits of 7-, 7-, and \$6,000; but without the context of  
13 what the balance of the account was prior to that, we really  
14 can't say one way or another as to what effect these may  
15 have.

16           And likewise, in terms of the 2022 and the 2020  
17 accounts, I would note that these are three separate events,  
18 if you will, over the span of two years, so the Court can  
19 give it such weight as the Court deems to be appropriate.

20           With respect to the proffer, we would submit to the  
21 Court that based upon the two Pretrial Services reports that  
22 have been done, we have a stable home for Ms. Liu to go to.  
23 We have her mother and her father that have traveled here  
24 from Queens that are living here now taking care of her son.  
25 Her son is enrolled in school. The government has seized her

1 passport at the time that she was arrested.

2 I think what's notable and what's significant is  
3 that the Court has detained the other two gentlemen as a  
4 result of the violent offenses of robbery that are alleged  
5 against them. There was nothing in the government's proffer  
6 with respect to Ms. Liu that she was involved in any of those  
7 activities whatsoever.

8 So I think there's a significant separation or  
9 distinction that we can draw between her conduct, again, just  
10 as what's alleged, and the conduct of what's been charged in  
11 the indictment with respect to the other two co-defendants,  
12 and so I think that's significant to the Court in the Court's  
13 ultimate determination.

14 But other than that, I would just rely upon the  
15 information that's contained within both of the Pretrial  
16 Services reports.

17 THE COURT: All right. Thank you.

18 MR. BROCCOLETTI: And I would have an argument at a  
19 later point.

20 THE COURT: All right. Very well.

21 All right. Ms. Montoya, I'll hear your argument.

22 MS. MONTOKYA: Your Honor, it's the government's  
23 position that there are no conditions that could be fashioned  
24 to ensure the safety of the community and to ensure the  
25 defendant's future reappearance. This is a very serious



1 offense/offenses.

2 And turning to the nature and circumstances, these  
3 are crimes of sexual exploitation of multiple women as well  
4 as money laundering of substantial criminal proceeds.

5 THE COURT: Are any of these spas still open?

6 MS. MONTTOYA: No, Your Honor.

7 THE COURT: All right.

8 MS. MONTTOYA: And these defendants are just pieces  
9 of a larger enterprise, all based out of New York. It is  
10 very troubling, the level of violence utilized by her  
11 co-defendants. I have no evidence to date that she had  
12 knowledge of the robbery, but that is who she's associated  
13 with; very violent individuals.

14 The evidence against the defendant is overwhelming.  
15 She is linked to that operator number ending in 9817 which is  
16 linked to the Shell Road spa. That's the number listed in  
17 commercial sex ads. That's the number she's observed  
18 physically texting on during surveillance, and she's also  
19 observed paying for that phone bill.

20 And that phone was found in her residence at the  
21 time of the search warrants' executions. And she also took  
22 out that Shell Road spa lease in another person's name, using  
23 photo identification for that person, and the landlord stated  
24 she went by a different name. So -- as well as the IP  
25 addresses for multiple commercial sex ads all linking to her

1 residence.

2           And then her husband puts her right in the middle of  
3 the conspiracy. He said -- and it's consistent with  
4 everything we've learned to date in the investigation -- that  
5 she was advertising and responding to the ads and running as  
6 an operator the commercial sex dates.

7           And not only do we have the bank records of Si Liu,  
8 we also have her on video engaged in money laundering. We  
9 have at least six different videos of her engaging in the  
10 banking transactions, making numerous cash deposits and then  
11 withdrawals, all of which that money appears to have been  
12 funneled into buying residential properties. So I submit  
13 that the evidence in this case is very strong against this  
14 particular defendant.

15           In terms of her ties to the area, her husband is her  
16 co-conspirator. Her parents appear to be making cash  
17 deposits at the same time that this conspiracy is earning  
18 cash from commercial sex. And then the banking records also  
19 are inconsistent with what she said and her husband said  
20 about what they're doing.

21           So she claimed she was a homemaker, which is  
22 inconsistent somewhat with the physical surveillance which  
23 showed her going to these spas on different dates. And her  
24 husband stated he was an independent construction worker, and  
25 during the surveillance, he was never seen doing any kind of

1 construction work on anything except his own properties.

2 And so we have, from the bank records, hundreds of  
3 thousands of dollars moving through their accounts,  
4 including -- it was -- \$130,000 was the exact amount that  
5 came in from the Bank of China, and so this is someone with  
6 substantial assets as well as that false identification.

7 Mr. Broccoletti is absolutely right; we did seize  
8 her U.S. passport, but she is somebody who has demonstrated  
9 an ability to acquire false identification, and so I submit  
10 there's nothing stopping her. And she certainly has the  
11 means, and she has uncharged co-conspirators who have  
12 substantial financial assets should she choose to flee.

13 And so at best, again, I think the third-party  
14 custodian may have been duped into making cash deposits, but  
15 that would not be an appropriate third-party custodian,  
16 someone that she's been able to trick into being involved in  
17 her criminal activity.

18 And then sending her to Flushing, New York, is right  
19 where this -- that's where this enterprise is based. So that  
20 would be sending her right into the heart of the conspiracy.  
21 And so for all those reasons, I'd ask that the Court detain  
22 this defendant. Thank you.

23 THE COURT: All right. Thank you, Ms. Montoya.

24 Mr. Broccoletti?

25 MR. BROCCOLETTI: Judge, nobody is suggesting that

1 she be allowed to go to New York or to Flushing. I think the  
2 plan that we've submitted to the Court is that she remain  
3 here in Norfolk at the Brockwell Avenue address. Her parents  
4 have moved here from Queens to be here for her, to support  
5 her, to take care of her child, so there's no hint whatsoever  
6 of having her leave that particular location. No one's  
7 suggesting that she be allowed to go to Flushing.

8 With respect to the issues before the Court today,  
9 it's not to determine if she's guilty or not guilty. That's  
10 to be decided at a later point. What we're here to decide  
11 today is, number one, is she a risk of flight; and, number  
12 two, is she a danger to the community.

13 With respect to danger to the community, she has no  
14 prior criminal record. She has no substance abuse issues.  
15 She has no mental health issues. There's no evidence of her  
16 being involved with a firearm or violence or any explosive  
17 devices or any crimes of that nature which would give the  
18 Court concern about her being a danger.

19 Her husband is in custody. And the reason I mention  
20 that is because the allegations are that she is involved in a  
21 conspiracy with her husband and with this other gentleman.  
22 If her husband is in custody, as is the other gentleman, and  
23 they will remain in custody throughout the duration of this  
24 pretrial period, that the danger to the community, I'd  
25 suggest to the Court, has been diminished greatly because of

1 her inability to communicate with her husband and to  
2 associate with her husband.

3 With respect to risk of flight, there are terms and  
4 conditions that the Court can impose. The Court can easily  
5 impose a home electronic monitoring device. The Court can  
6 prohibit her from being involved in the use of any electronic  
7 media or devices. She doesn't need to be on a laptop. She  
8 doesn't need to be on a desktop. She doesn't need to be  
9 involved with any sort of electronic devices. And Probation  
10 can monitor that.

11 The Court can certainly restrict her to the home and  
12 the care of her child.

13 And I would point out to the Court what I think is  
14 very significant: This trial is seven months away. She's  
15 been in custody now already since May of this year, initially  
16 on state charges. She went into federal custody in July.  
17 But we're not talking about a trial date until March the  
18 28th, which is a significant, significant period of time and  
19 a very onerous burden upon her.

20 So we think that under the facts that we've  
21 submitted with respect to the passport being surrendered, or  
22 it's been seized, there's an ability of the Court to restrict  
23 her to the home. There's the ability of the Court to  
24 restrict her to be with her son. There's an ability of the  
25 Court to restrict her to only be with her family and for

1 Probation to monitor her with respect to any electronic  
2 devices if there is a suitable plan that could be in place.

3 THE COURT: All right. Thank you, Mr. Broccoletti.

4 Well, the Court looks at every case individually  
5 with respect to each defendant under the factors of The Bail  
6 Reform Act.

7 So starting with the first factor, the nature and  
8 circumstances of the offense, the defendant has been charged  
9 with three offenses, not four. They are the use of  
10 facilities in interstate commerce to promote prostitution,  
11 conspiracy to commit money laundering, and general  
12 conspiracy.

13 Now, these charges are quite serious. They involve  
14 the alleged sexual exploitation of women who have been  
15 required -- or at least who are working, allegedly, in  
16 massage parlors that engage in commercial sex acts. So these  
17 are serious charges, and I believe they carry with them  
18 substantial penalties, including the money laundering charge.

19 Now, the weight of the evidence is quite strong to  
20 tie this defendant to the unlawful activities, specifically  
21 tying her to the activities that are alleged to have gone on  
22 in the spas. Between her phone number and some of her bank  
23 records, it appears that the government does have substantial  
24 evidence.

25 With respect to the defendant's personal history and

1 characteristics, the defendant was born overseas in China,  
2 but she, I believe, is now an American citizen. She has  
3 married, has a three-year-old child and, therefore, has  
4 developed ties to this community through her residence here  
5 and through her starting of a family here.

6           Though the defendant has surrendered her passport,  
7 there's no information about whether or not she has still  
8 kept a foreign passport, which may be a bit of a concern.

9           The defendant has proposed her parents to be  
10 third-party custodians, and these are folks who have traveled  
11 down here from Queens, New York, have agreed to reside with  
12 the defendant at her residence to help act as third-party  
13 custodians and to keep watch, care for the three-year-old  
14 child, which is a demonstration of very strong family ties.  
15 Both of her parents are permanent residents of the  
16 United States.

17           The defendant has no criminal record, no substance  
18 abuse history, no mental health issues and, otherwise, does  
19 not have any of the individual factors under personal history  
20 and characteristics that would cause the Court to give real  
21 pause to the question of bond.

22           The last factor is the nature or the risk of danger  
23 posed to any other person in the community by the defendant's  
24 release. And although the defendant is married to another  
25 defendant who is alleged to have committed interference with

1 commerce by robbery, although I judge every case  
2 individually, I was the judge who presided over the detention  
3 hearings for the co-defendants, and I recall being  
4 specifically concerned about the violent conduct that was  
5 alleged to have been committed against this one particular  
6 individual with the initials P.T., and the risk posed to her  
7 in particular and any other potential witnesses posed by the  
8 defendant's release. That was an important factor for the  
9 Court's consideration.

10 But notably, the defendant has not been tied to that  
11 conduct, and I think the government conceded that they have  
12 no information that she was aware of that conduct. So I  
13 don't believe that the defendant poses a risk of danger to  
14 the community that couldn't be mediated or mitigated by  
15 certain conditions.

16 So the predominant concern the Court has is the  
17 defendant's risk of nonappearance, and if the defendant  
18 didn't have such strong ties to China, that wouldn't be much  
19 of a concern at all, but she has such ties, and the  
20 government has proffered that the Bank of China is making  
21 deposits into bank accounts here that find their way to the  
22 defendant.

23 So while that is a concern, I'm not going to assume  
24 that I can't impose conditions sufficient to mitigate that  
25 concern and to overcome the notion that the defendant is an



1 unnecessary risk of flight. I think there are conditions  
2 that I can impose, and they are going to be significant  
3 conditions because there is that potential.

4           So what I'm going to do is order the defendant's  
5 release on a \$20,000 unsecured bond. I'm going to appoint  
6 her parents as third-party custodians jointly, and I'm going  
7 to require the parents to sign off on that bond as well. I'm  
8 going to release the defendant to the custody of her parents  
9 at that Brockwell Avenue address, and the defendant will be  
10 subject to home electronic monitoring.

11           Mr. Broccoletti has suggested that potentially  
12 depriving the defendant access to electronic devices could  
13 help, but I think that's probably unworkable in this day and  
14 age, especially in light of the fact that her parents are  
15 going to be living with her, and the Court is not inclined to  
16 deprive them of access.

17           So I'm not going to impose that condition, but I  
18 will impose a condition that defendant will be subject to  
19 home electronic monitoring and home detention. And she is  
20 not to have communication, either directly or indirectly,  
21 with either of her co-defendants.

22           To the extent that the defendant Mr. Gao needs to be  
23 in communication with his son, that's a separate matter, and  
24 that's subject to his conditions of release -- excuse me --  
25 to his -- the fact that he's detained. So Ms. Liu is not to

1 talk with her husband.

2 But I'm not sure, Mr. Broccoletti, is it feasible to  
3 prevent any communication at all or just communication about  
4 the case?

5 MR. BROCCOLETTI: Judge, I think that you can  
6 prevent any communication. I think he can call the home and  
7 speak to the mother or the father who could then have access  
8 to the child to communicate in that way. There would be no  
9 reason for them to be able to discuss individually if any  
10 communication had to occur about the child's welfare,  
11 education, things of that nature.

12 THE INTERPRETER: Sorry for the interruption, Your  
13 Honor. The interpreter can barely hear counsel.

14 MR. BROCCOLETTI: I'm sorry. My fault. I  
15 apologize.

16 THE COURT: And you probably want to slow down, too.

17 MR. BROCCOLETTI: Yes, sir.

18 Your Honor, I do think that you can eliminate any  
19 communication between husband and wife. Any communication  
20 that would need to occur about the child could occur through  
21 the auspices of the mother and the father. They would be at  
22 the home. They obviously speak Chinese. They would be in a  
23 position to then communicate with the father -- with the  
24 husband, rather, about any health, welfare, educational  
25 issues that need to be discussed.

1           THE COURT: All right. I think that would be  
2 appropriate, and that sounds much more workable. So if her  
3 co-defendant and her husband wish to communicate or have  
4 information of the well-being of the three-year-old, then he  
5 can do so through the defendant's parents.

6           These conditions have to be put in place before the  
7 defendant will be released, but our probation officers are  
8 very efficient at setting that up promptly, so that will  
9 happen in the next day or two.

10          And then, Ms. Liu, you'll be placed on this  
11 unsecured bond. Now, it's going to be up to you to make sure  
12 you adhere to all of these conditions, because if you don't,  
13 the Court will learn of it, and then it will have to  
14 reconsider its decision.

15          All right. Can we go forward with an arraignment  
16 now?

17          MR. BROCCOLETTI: Yes, sir.

18          MS. MONTTOYA: Your Honor, just at this time I'd ask  
19 for a brief stay of the release order.

20          THE COURT: Well, I'll tell you what, Ms. Montoya,  
21 it's going to take a day or two to get the electronic  
22 monitoring put into place.

23          It's not often that the government asks the Court  
24 for a stay, but the last time it happened, the AUSA involved  
25 had certain information that he hadn't offered to the Court

1 at the detention hearing, and that information was  
2 significant.

3 Is there information that you are going to offer to  
4 the district judge that you haven't offered to this Court?

5 MS. MONTOYA: No, sir. Same information, yes, sir.

6 THE COURT: Well, Ms. Montoya, I will give you 48  
7 hours to get an appeal up to the district judge. That's  
8 Judge Allen. That's right.

9 MS. MONTOYA: Yes, sir.

10 THE COURT: And I will stay my order as long as you  
11 file that appeal promptly. I will also notify Judge Allen  
12 that she has an appeal coming her way, so she can attend to  
13 it promptly.

14 She may very well require the transcript of this  
15 proceeding, and then she will take it from there. But in ten  
16 years, there's only been a small handful of times the  
17 government has asked me to stay an order, so I'll grant you  
18 that motion this time.

19 MS. MONTOYA: Thank you, Your Honor.

20 THE COURT: All right. Let's proceed with  
21 arraignment.

22 Mr. Broccoletti, have you been provided a copy of  
23 the indictment?

24 MR. BROCCOLETTI: I have, Your Honor.

25 THE COURT: Have you reviewed the charges in the

1 indictment with your client, and does she understand the  
2 charges?

3 MR. BROCCOLETTI: I have, and she does.

4 THE COURT: Does she wish the Court to read the  
5 indictment to her, or will she waive formal arraignment?

6 MR. BROCCOLETTI: She will waive.

7 THE COURT: Will she plead not guilty and ask for a  
8 trial by jury?

9 MR. BROCCOLETTI: She will.

10 THE COURT: Does she wish to attend pretrial motion  
11 hearings?

12 MR. BROCCOLETTI: She does.

13 THE COURT: All right. Since you were in the  
14 courtroom, you understand that the trial date in this case  
15 has so far been set for March 28th of 2023, and you mentioned  
16 it yourself. That delayed trial setting was based on the  
17 complexity of the case, and you heard the government's  
18 grounds for the motion. Do you have any objection to that  
19 setting?

20 MR. BROCCOLETTI: I do not.

21 THE COURT: All right. Ms. Liu, is your name Si  
22 Liu?

23 THE DEFENDANT: Yes.

24 THE COURT: How old are you, ma'am?

25 THE DEFENDANT: 35.

1 THE COURT: How far did you go in school?

2 THE DEFENDANT: College.

3 THE COURT: Do you presently have a drug or alcohol  
4 addiction?

5 THE DEFENDANT: No.

6 THE COURT: Are you under the influence of alcohol  
7 or drugs now?

8 THE DEFENDANT: No.

9 THE COURT: Are you presently receiving psychiatric  
10 care?

11 THE DEFENDANT: No.

12 THE COURT: Have you been provided a copy of the  
13 indictment in this case?

14 THE DEFENDANT: Yes.

15 THE COURT: Have you reviewed the charges in the  
16 indictment with your lawyer, and do you understand the  
17 charges?

18 THE DEFENDANT: Yes, I do.

19 THE COURT: When I ask you for your plea, do you  
20 want me to read the entire indictment to you, or will you  
21 waive formal arraignment?

22 THE DEFENDANT: I will waive.

23 THE COURT: Ms. Liu, you've been charged by  
24 indictment with one count of conspiracy, one count of use of  
25 facilities in interstate commerce to promote prostitution,

1 one count of conspiracy to commit money laundering, and one  
2 count -- excuse me, and that's all. There's also a criminal  
3 forfeiture allegation.

4 To those charges, how do you plead; guilty or not  
5 guilty?

6 THE DEFENDANT: Not guilty.

7 THE COURT: Do you wish to have a trial by jury or  
8 by the Court?

9 THE DEFENDANT: Jury.

10 THE COURT: Do you wish to be present for pretrial  
11 motions?

12 THE DEFENDANT: I don't think I understand that.

13 THE COURT: All right. Oftentimes during the  
14 process of pretrial activity, usually the defense may file  
15 motions directed towards the evidence or any particular trial  
16 issue. Those motions are held in open court, and you have a  
17 right to attend those hearings.

18 I'm asking you if you want to assert that right and  
19 attend all hearings before trial?

20 THE DEFENDANT: Yes.

21 THE COURT: All right. This case is being set for  
22 trial to begin March 28th, 2023, at 10:00 a.m. in Norfolk  
23 before Judge Allen. The Court has previously found that the  
24 ends of justice outweigh the interests of the defendant and  
25 the public in a speedy trial because of the complexity of

1 this case, and both the government and the Court have stated  
2 the reasons advanced by the government for setting this case  
3 as late as March.

4 Do you have any objection to that finding?

5 THE DEFENDANT: Ah, no.

6 THE COURT: All right. So the case will be set as  
7 indicated. The motion cutoff date is eight weeks from today.

8 Ms. Montoya, Mr. Broccoletti, any further matters  
9 for the Court to address?

10 MS. MONTOYA: Nothing further from the government.  
11 Thank you, Your Honor.

12 MR. BROCCOLETTI: No, sir. Thank you.

13 THE COURT: All right. Thank you, counsel.

14 Thank you, Ms. Liu.

15 And thank you, Ms. Liu, for translating.

16 THE INTERPRETER: Thank you, Your Honor.

17 (Proceedings adjourned at 3:39 p.m.)  
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CERTIFICATION

I certify that the foregoing is a correct transcript, to the best of my ability, of the court's audio recording of proceedings in the above-entitled matter.

\_\_\_\_\_/s/\_\_\_\_

Carol L. Naughton

August 29, 2022